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USDOC FOR 532/OEA/MHAMES/MCANNER
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: FLEX-IN
ELECTRONICS LIMITED

REF: A) BIS e-mail request dated May 15, 2009

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post-shipment verification (PSV) at Flex-In Electronics Limited, Flat 204-205, 2F, Laford Centre, 838 Lai Chi Kok Road, Hong Kong (Flex-In). The items in question for this PSV re three shipments of logic arrays and integrate circuits exported to Flex-In on or about May 24, 2008 (shipment one), November 18, 2008 (shipment 2, arch 10, 2009 (shipment 3). These items are lassified under export control classification nuber (ECCN) 3A001 and are controlled for nationalsecurity (NS) reasons. The exporter was Lattie Semiconductor of Hillsboro, Oregon.

13. According to the Hong Kong Companies Registry, Flex-In was registered in 2001 and has the Hong Kong equivalent of USD 1300 in paid up share capital. Flex-In's directors are listed as Hong Kong residents Chong, Man Sui (HK ID C368535(5)) and Shen, Hing Steven (HK ID E781805(1)).

14. Web based research reveals that Flex-In (www.fe-electronics.com)is part of the Dragon Group of companies. The Dragon Group of companies is owned and controlled by ASTI Holdings Limited (www.astigp.com), a Singapore stock exchange listed company. ASTI's companies include electronics distribution companies (including those in the Dragon Group) as well as semiconductor equipment manufacturing companies. The group employs over 2900 employees worldwide.

15. On June 4, 2009, ECO and Commercial Assistant Carrie Chan visited the company and met with Dragon Technology Distribution (HK) Limited's Finance Manager, Ms. Shirley Kam. She provided an overview of the corporate structure of the various ASTI and Dragon companies. She further clarified that Flex-In serves primarily Korean customers. Flex-In's customers are primarily manufacturers in the mobile telecom market and Flex-In rarely sells to other resellers. Ms. Kam was familiar with Hong Kong and U.S. export licensing rules.

16. Ms. Kam was open and forthcoming and provided documentation confirming the final disposition of all three shipments. Each of those shipments was reexported by Flex-In to Samsung Electronics for use in mobile phone production.

17. Based on the information noted above, ECO believes Flex-In to be a suitable recipient of controlled U.S. origin technology.